

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 AID-05 AGR-05 SP-02 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 IGA-01

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FM AMEMBASSY ACCRA

TO SECSTATE WASHDC PRIORITY 7483

INFO AMEMBASSY ABIDJAN PRIORITY

C O N F I D E N T I A L ACCRA 3003

E.O. 11652: GDS

TAGS: EGEN GH

SUBJ: ASST. SECY. DAVIS' VISIT: ECONOMIC/AID MATTERS

ABIDJAN FOR ASST. SECY. DAVIS

1. THIS CABLE SUMMARIZES CALLS AND VISITS IN ACCRA BY
ASSISTANT SECRETARY DAVIS WITH ECONOMIC AND AID EMPHASES.

2. DAVIS HELD HOUR-LONG MEETING MAY 9 WITH THREE OF THE
SIX PERMANENT MEMBERS OF THE NATIONAL ECONOMIC PLANNING
COUNCIL: DR. J. ABBEY, MR. B.K. MENSAH, AND MRS. GLORIA
NIKOI. AMBASSADOR, USAID DIRECTOR, E/C COUNSELOR, AND
SIMPSON ACCOMPANIED. AFTER EMPHATIC REQUEST FOR MORE
AID, MOST OF MEETING TAKEN UP WITH MRS. NIKOI'S REPEATED
CONCERNS THAT GOG OBTAIN BETTER LOAN TERMS (SHE STATED
DEBT SERVICE RATIO NEXT FEW YEARS AT LEAST 11
PERCENT) AND THAT IT MUST CONSTANTLY EXAMINE TRUE "COSTS"
OF AID, THAT SHE HAD IMPRESSION USAID WOULD RATHER DEAL WITH
PRIVATE FIRMS THAN GOVERNMENT ENTITIES AND STATE
CORPORATIONS, AND WITH DR. ABBEY'S RESERVATIONS REGARDING
US REQUIREMENTS FOR COMPETITIVE BIDDING. THEY SAID THEY
EXPECTED BETTER TERMS IN NEXT AID FROM U.S. COUNCIL
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MEMBERS TENDED TO TALK ABOUT DETAILS AND NOT BROAD

POLICY, ALTHOUGH ABBEY MADE POINT THAT WHILE EMPHASIS IN FORTHCOMING 5-YEAR PLAN WILL BE ON AGRICULTURE (IMPORT SUBSTITUTION AND THEN EXPORTS), THEY WERE ANXIOUS NOT TO "OVER-CAPITALIZE" AGRICULTURE. DAVIS REMARKED THAT HE PLEASED USG HELPING IN GHANAIAAN DEVELOPMENT, THAT HE HAD IMPRESSION THERE NO GREAT DIFFERENCES IN USG AND GOG APPROACHES TO DEVELOPMENT, THAT USG HAS NO DIFFICULTY IN DEALING WITH GOVERNMENTS ON AID (BUT THAT USG GETTING AWAY FROM LARGE INFRASTRUCTURE PROJECTS AND SOMETIMES CONSIDERS USAID "DONOR OF LAST RESORT"), AND EXPLANIED NEED FOR COMPETITIVE BIDDING.

3. THIS WAS FOLLOWED BY HOUR'S MEETING WITH COL.P.K. AGYEKUM, ACCOMPANIED BY GROUP NOTED PARA 2. AGYEKUM WAS ALSO TEMPORARILY ACTING AS COMMISSIONER FOR AGRICULTURE,AND WAS ASSISTED BY PRINCIPAL SECY. MINAGR (PENTSIL). READING FROM BRIEFING PAPER, AGYEKUM RAISED THREE AGRICULTURAL MATTERS: (A) FETILIZER PLANT, (B) UTILIZATION OF USAID DOLS 19 MILLION PROGRAM LOAN,AND (C) STORAGE FACILITIES. ON (A), AGYEKUM NOTED EFFORTS BEING MADE TO ESTABLISH GRANULATING PLANT, THAT TVA ADVISER INVOLVED, AND THAT GOG LOOKING FOR "TECHNICAL PARTNER" WHO COULD TAKE SOME EQUITY. USAID DIRECTOR NOTED HIS AGENCY AIDING IN SEARCH FOR US EQUITY AND PLANNING, AND DAVIS PROMISED TO LOOK INTO MATTER UPON RETURN TO WASHINGTON. ON (B), IT WAS POINTED OUT TO AGYEKUM THAT PROJECTS HE HAD IN MIND COULD BE INCLUDED IN PROGRAM LOAN BUT THAT ALLOCATION RESTED WITH GOG MINECONOMIC PLANNING. ON (C),AGYEKUM SAID ORDERS WILL SOON BE PLACED FOR CORN STORAGE EQUIPMENT FOR ASHANTI AND BRONG-AHAFO REGIONS.

4. HAVING MADE THOSE REMARKS RATHER HURRIEDLY, AGYEKUM PUT DOWN BRIEFING PAPER AND POINTED OUT HIS REGUALR POSITION THAT OF COMMISSIONER TRANSPORT AND COMMUNICATIONS. HE RAISED NEED FOR LOCOMOTIVES AND NOTED DISCUSSIONS GOING ON WITH GENERAL ELECTRIC OF US,HENSCHEL,AND ENGLISH ELECTRIC. HE WONDERED ABOUT USAID FINANCING. DAVIS SUGGESTED PERHAPS EXIMBANK MORE SUITABLE,AND OFFERED TO MAKE RECOMMENDATINS IN WASHINGTON IF USEFUL. E/C COUNSELOR NOTED THAT GE HAD APPLIED TO EXIMBANK FOR CONFIDENTIAL

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FINANCING THOSE LOCOMOTIVES, WAS AWAITING RESPONSE, AND WAS PREPARING SEVERAL FINANCILA PACKAGE PROPOSALS FOR GHANA RAILWAYS. BULK OF CONVERSATION TAKEN UP WITH CIVAIR, REPORTED SEPTEL.

5. AGAIN ACCOMPANIED BY GROUP NOTED PARA 2, DAVIS PAID COURTESY CALL MAY 9 ON DR. FRANK GRANT, ACTING DIRECTOR OF MEDICAL SERVICES AND SENIOR OFFICIAL OF

MINISTRY OF HEALTH THEN IN ACCRA. GRANT EXPLAINED PROJECTS WITH WHICH USAID INVOLVED, INCLUDING DANFA RURAL HEALTH PROJECT, MEASLES/SMALLPOX VACCINE PROGRAMS, RURAL HEALTH DEVELOPMENT, RIVER BLINDNESS AND SCHISTO-MIASIS ERADICATION PROJECTS. AMBASSADOR RECALLED SHE HAD HONOR SHORTLY AFTER ARRIVAL ACCRA TO PRESENT MEASLES VACCINE. GRANT EMPHASIZED THE EXCELLENT COOPERATION FROM AND WORKING RELATIONSHIP WITH USAID, AT WHICH DAVIS EXPRESSED HIS PLEASURE.

6. ASSISTANT SECRETARY, AMBASSADOR, USAID DEPUTY DIRECTOR, AND E/C COUNSELOR HAD BEGUN DAY MAY 9 WITH TOUR OF USAID-ASSISTED OPPORTUNITIES INDUSTRIALIZATION CENTER.

7. MAY 10, ASSISTANT SECRETARY, AMBASSADOR AND FAMILY, AND SIMPSON TRAVELLED TO AKOSOMBO, VISITING PEACE CORPS TOMATO EXTENSION PROJECT EN ROUTE. AT LUNCH VOLTA RIVER AUTHORITY CHIEF EXECUTIVE QUARTER HIGHLY PRAISED US PARTICIPATION IN AKOSOMBO DAM COMPLEX (WHICH GROUP THEN TOURED), HOPED THAT US IN GENERAL AND KAISER ENGINEERS IN PARTICULAR COULD PARTICIPATE IN NEW KPONG AND BUI PROJECTS, BUT NOTED THIS HINGED UPON FINANCING.

8. VALCO RESIDENT DIRECTOR ARMANTROUT HOSTED DINNER MAY 10 AT WHICH DAVIS HAD OPPORTUNITY MEET SENIOR GHANAIAN, US AND THIRD-COUNTRY BUSINESS LEADERS. IN QUESTION-ANSWER SESSION THERE, DAVIS FIELDDED QUESTIONS ON GENERAL US POLICIES, US SOUTHERN AFRICAN POLICIES, AND US VIEW TOWARD AFRICAN DEVELOPMENT. SENIOR US BUSINESSMEN EXPRESSED APPRECIATION FOR EXCELLENT SUPPORTIVE ROLE TOWARD AMERICAN BUSINESS INTERESTS IN GHANA PLAYED BY EMBASSY.

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9. FOREGOING CLEARED IN DRAFT FOR ASSISTANT SECRETARY.
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